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EUROPEAN REGIONAL DEVELOPMENT FUND

CBRE

PRESS RELEASE

£45 million funding secured for 125 Deansgate

The development team behind 125 Deansgate, one of Manchester's most eagerly awaited commercial office developments, has secured a funding facility of £45 million.

The clubbed facility has been provided by North West Evergreen Fund, a local authority pension fund and the Growing Places Fund, advised by CBRE's Investment Advisory team, part of CBRE Capital Advisors.

The three-year funding facility will enable Worthington Properties to begin construction in early 2017 with plans for the scheme to be finished in summer 2019. The development will provide 113,500 sq ft of office space in the heart of Manchester to support the continued economic growth of the Greater Manchester region and the ongoing development of the Government's proposed 'Northern Powerhouse.'

The North West Evergreen Fund, which is made up of 16 local authority limited partners, was established to provide funding to support real estate projects, which are critical to the region's economy, generating jobs and growth. It is capitalised through the European Regional Development Fund (ERDF) and other public money allocated under the Joint European Support for Sustainable Investment in City Areas (or "JESSICA") initiative, which is managed by the European Investment Bank in the North West on behalf of the Homes and Communities Agency.

The Evergreen model provides loan funding to be invested in projects which will generate a financial return and will then be recycled back into the fund to help support further projects. The fund is advised by CBRE Indirect Investment Services Limited, the FCA regulated arm of CBRE.

Russ Worthington, director of Worthington Properties, said: "Manchester continues to prove itself as a world class destination to do business and 125 Deansgate, when complete in 2019, will provide businesses with a great place to operate within."

“Securing the funding is testament to the quality of the proposals at 125 Deansgate along with the high profile location of the scheme. These investors are incredibly astute and have to be confident the development would provide a return for them.

“They would have not provided the facility if they didn’t see the value in the development and we’re proud to be working in partnership with them on this. This funding will mean we are able to progress with speculatively developing the building.”

Councillor Kieran Quinn, Lead Member for Investment and Finance on the Greater Manchester Combined Authority said, "Deansgate is one of the busiest and most well connected corridors in the City Centre, if not in the entire region. Enabling redevelopment of this site represents an excellent opportunity for the North West Evergreen Fund. The investment will provide both the returns that the fund needs to continue supporting regeneration projects and the social value for Greater Manchester in the form of jobs and a new first class office facility."

Andrew Antoniadou, Senior Director, CBRE Capital Advisors commented: “This is a fantastic development that we are very pleased to have arranged the funding for. Despite strong underlying fundamentals in the Manchester real estate market, development finance remains scarce throughout the UK and the private sector debt market is increasingly unwilling to fund such schemes. Consequently, investment funds such as these are vitally important to the North-West economy, and its continued growth. As such, we are pleased to provide funding support with a sizeable loan package to help ensure the city has high quality Grade A commercial space to continue to attract new business and support employment.”

Advisers included Nabarro which provided legal advice on construction, property and development to Worthington Properties. Gowling WLG provided legal advice on construction, property and development to the investors and Savills and Knight Frank have been instructed as agents of the development.

ENDS

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NOTES TO EDITORS

About the Fund

<http://northwestevergreenfund.co.uk>

The North West Evergreen Fund exists to support the delivery of commercial property and infrastructure projects in Greater Manchester, Cumbria, Cheshire and Lancashire.

The fund, which is supported by European Regional Development Funding and the [JESSICA Programme](#) as well as by 16 local authority partners, is a new approach to investment which sponsors a wide range of development opportunities where there is a clear benefit to the region's employment, regeneration, environmental and economic prospects.

The fund will commit capital to commercial and light industrial regeneration opportunities, which meet European Regional Development Fund regeneration targets covering employment, remediation and floorspace outputs.

Developers with commercial property or infrastructure projects that can both drive regional economic growth and generate a financial return are able to apply to CBRE, who is the General Partner Real Estate Advisor to the fund, for loans, or potentially equity commitments, of up to £8.2 million per project.

Money from the repayment of these loans will be recycled back into the fund to finance new projects. By backing sustainable schemes through an innovative mix of public and private funding, the partnership intends to underpin the region's long-term growth prospects.

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (in terms of 2013 revenue). The Company has approximately 44,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through approximately 350 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. Please visit our website at www.cbre.com.

CBRE Indirect Investment Services Limited, the FCA regulated arm of the CBRE Real Estate Finance division, is acting as General Partner Real Estate Advisor to the Fund.

About the European Regional Development Fund (ERDF) in the North West

The European Regional Development Fund (ERDF) is managed by the Department for Communities and Local Government. The North West Evergreen Fund has been part-financed with investment from ERDF under the 2007/13 Programme. The Programme had a budget of €755m and has made a real difference to people and businesses in the North West. ERDF has enhanced the competitiveness of the region's economy by supporting growth in enterprise and employment. For further information about the Programme please visit <https://www.gov.uk/erdf-programmes-progress-and-achievements>.

The 2014/20 ERDF Programme for England is now live and further information can be found at <https://www.gov.uk/guidance/england-2014-to-2020-european-structural-and-investment-funds>.

About the Homes and Communities Agency

The Homes and Communities Agency is the single, national housing and regeneration delivery agency for England, and the Regulator of Social Housing Providers. Our vision is to:

- Create opportunity for people to live in homes they can afford in places they want to live, by enabling local authorities and communities to deliver the ambition they have for their own areas; and
- Focus on governance, financial viability and value for money as the basis for robust economic regulation that maintains lender confidence and protects the taxpayer.

For more information visit: <http://www.homesandcommunities.co.uk/newsevent> or follow us on [Twitter](#).

About the Greater Manchester Combined Authority

<http://www.agma.gov.uk/gmca>

The Greater Manchester Combined Authority is a unique model of governance for a city region, provided for by the Local Democracy, Economic Development and Construction Act 2009. Whilst it builds on the AGMA model of voluntary collaboration between local authorities through a Joint Committee, the GMCA is a statutory body with its functions set out in legislation. These functions, which cover the Greater Manchester area, include all the transport functions previously overseen by GMITA, plus some economic development and regeneration functions.

The Greater Manchester Combined Authority has established an investment framework, the Greater Manchester Investment Fund (GMIF), which is unique in that investments are prioritised towards driving growth in the region with a particular focus on creating or safeguarding jobs. GMIF is a virtual pool of Regional Growth Fund 2,3 and Growing Places monies. It is closely linked to other funds such as the Evergreen Fund and GM Loans fund which deliver similar objectives.

For more information on GMIF, please visit:

http://www.manchester.gov.uk/info/350/invest_or_locate_in_manchester/5521/greater_manchester_investment_fund